(c) whether Government is taking necessary action for giving due returns to the small farmers also?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes,Sir.

(b) and (c) It is expected that with reduction in subsidies to EU farmers, price of sugar in the world markets will rise, giving better prices to our exporters and consequently remunerative returns to the sugar farmers, including small farmers.

**Effect of cheap imports on artisans and craftsmen**

2277. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to State:

(a) whether it is a fact that a large number of Muslims are artisans and craftsmen whose products are threatened by cheap imports from abroad;

(b) if so, the reason therefor;

(c) whether it is also a fact that Chinese silk or imported carpets and leather products tend to throw silk weavers in Karnataka or leather-goods markers in Andhra Pradesh and other States out of job;

(d) if so, the reasons identified by Government; and

(e) the steps taken by Government to protect such artisans and craftsmen in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No Sir, No such report is available that the products of these artisans and craftsmen are threatened by cheap imports from abroad.

(b) Does not arise.

(c) The import of cheap Chinese silk fabrics from China is adversely affecting the silk weavers of Karnataka, Uttar Pradesh and Gujarat. The import of machine made carpet is also causing problem for low priced handloom carpets sale in domestic market. Leather goods artisans in Andhra Pradesh are not facing any threat from imports.

(d) The silk weavers are not able to compete with unfairly priced silk fabric imports.

(e) Does not arise.

**Issuance of licenses for import of luxury cars**

2278. SHRI KARNENDU BHATTACHARJEE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that DGFT has issued licenses for import of luxury cars; on the basis of fake hotel in Rajasthan;

(b) if so, the details thereof;

(c) action taken/being taken for investigation of the scam involved; and

(d) action proposed to be taken against the officers found responsible for the same?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN) : (a) to (d) No, Sir, DGFT had issued licences under EPCG (Export promotion for Capital Goods) Scheme for import of cars to only those hotels which had a letter of approval for the hotel project from the Ministry of Tourism, Govt. of India.

During 2005-06, the Directorate of Revenue Intellegence (DRI) has undertaken investigation of the cases involving misuse of provisions related to import of cars under EPCG Scheme. They have reported to have booked eight cases for evasion of customs duty on imported vechicles including cars and 61 vehicles have been seized by them on account of misuse fo EPCG scheme for import of cars.

The licences have been issued as per the Foreign Trade Policy and Procedure. However, the Directorate General of Foreign Trade (DGFT) has issued eight Show Cause Notices under Foreign Trade (Development & Regulation) Act, 1992 to the defaulters who are *prima facie* found to have violated the provisions of Foreign Trade Policy/procedures relating to import of cars under EPCG Scheme.